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SUBJECT: Guangzhou Taxi Strike: Collective Bargaining, Taxi Style

¶1. Summary: Though downplayed by the official media as "taking a day off" or "having tea," Guangzhou's taxi strike was accompanied by rumors of violence and fear of physical danger. Drivers willing to risk retribution from colleagues found working during the strike lucrative, while others, ordered to work but fearful of retribution, reportedly passed the time playing cards. Taxi drivers and government leaders alike probably viewed Bo Xilai's peaceful meetings with Chongqing's striking taxi drivers in November as a precedent for handling the strike in Guangzhou. End summary.

¶2. Taxis were scarce December 1, when, according to Reuters, 4,000 of Guangzhou's 18,000 taxis refused to work and demanded a fee reduction by the government. Though characterized by the official media as peaceful and lackadaisical, scuffles between taxi drivers and police a week earlier and rumors of isolated violence between cabbies during the strike suggested this was more than a tea party. The government, which simultaneously launched a campaign against illegal taxis, avoided a prolonged strike by reducing the monthly taxi rental fee by RMB 500 (approximately USD 73) and eliminating a RMB 300 (approximately USD 44) monthly parking fee. Some taxi drivers subsequently complained that the concessions were too meager, noting that the fee reductions would defray only a small part of the more than RMB 10,000 (approximately USD 1455) in total monthly taxi fees they faced, according to China Daily.

Running the Gauntlet a Lucrative Endeavor

¶3. Drivers unwilling to go on "holiday" feared retribution at the hands of striking colleagues, according to multiple drivers. One driver with the Bai Yun Taxi Company refused to take passengers through slow-moving streets, insisting instead on keeping to Guangzhou's elevated highways to reduce the chance of being seen and punished by striking drivers. In an effort to camouflage his taxi's working status, another driver with the Guang Jun Taxi Company started the meter, then placed a cardboard sign reading "out of service" in its place. One taxi driver told a Consulate contact that some colleagues were requiring passengers to lie on the floor of the car "like dogs" to avoid being spotted.

¶4. A dearth of taxis made for a sellers' market. Two drivers on separate occasions claimed to have made the equivalent of several days' income in fares during the time of highest demand. Even with demand far exceeding the supply of taxis, we did not hear of or experience any cases of price gouging -- drivers simply engaged the meter as usual.

¶5. Ordered to work, but fearful of retribution from striking drivers, many employees of the Guang Jun Taxi Company reportedly drove to Guangzhou's Pazhou district, parked and played cards to pass the time, according to a Consulate contact, who described the parking lot of one of Guangzhou's semiannual trade fair sites partially filled with taxis and drivers -- huddled in numerous groups -- playing games.

16. Local cabbies are acutely aware of government concerns about maintaining social stability and the current political will to spend money to that end -- instead of relying solely on police crackdowns.

One labor researcher said that Chongqing party secretary and politburo member Bo Xilai opened the door to peacefully resolving the most recent series of taxi strikes by meeting publicly with representatives of the drivers. The researcher added that taxi drivers elsewhere had been emboldened to follow the example of their Chongqing counterparts, while other local governments had followed Bo Xilai's lead.

Comment

17. The Guangzhou strike was well timed; the peaceful resolution of similar strikes in other cities put pressure on the Guangzhou government to negotiate with the strikers, while the extraction of financial concessions was made easier due to official readiness to trade money for social stability. As local treasuries become increasingly strapped for cash, the willingness to negotiate in lieu of ordering police crackdowns will likely diminish, especially in poorer municipalities.

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